

SENATE BILL REPORT

SB 6497

As of February 5, 2008

Title: An act relating to financing regional centers in counties with a population of less than two hundred thousand persons that are acquired, constructed, financed, or owned by an existing city public facilities district with a population of at least forty-five thousand persons.

Brief Description: Financing regional centers in counties with a population of less than two hundred thousand persons that are acquired, constructed, financed, or owned by an existing city public facilities district with a population of at least forty-five thousand persons.

Sponsors: Senators Delvin and Hewitt.

Brief History:

Committee Activity: Ways & Means: 1/30/08.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: Public facilities districts (PFDs) are municipal corporations with independent taxing authority and are taxing districts under the State Constitution. There are two enabling statutes, Chapter 36.100 RCW (County PFDs) for counties and Chapter 35.57 RCW (City PFDs) for cities and joint arrangements between a group of cities or a county and one or more cities. Governance provisions are spelled out for these districts.

City PFDs must be located in a county with a population less than one million with the exception of cities with a total population of less than 115,000 and greater than 80,000. City PFDs are authorized to construct, improve, or remodel regional centers. A regional center is a convention, conference, or special events center, and related parking facilities, that costs at least \$10 million. A special events center is a facility, available to the public, used for community events, sporting events, trade shows, and artistic, musical, theatrical, or other cultural exhibitions, presentations, or performances. The boundaries of a City PFD are coextensive with the city. However, if the city has been jointly created, the boundaries are coterminous with all cities jointly participating or the unincorporated areas of a county jointly participating. City PFDs may be funded through a combination of: (1) charges and fees for the use of facilities by organizations; (2) admission charges; (3) taxes on vehicle parking charges; (4) voter-approved sales and use taxes; (5) credits against the state sales and use tax; (6) voter-approved property taxes; and (7) bonds.

County PFDs may be created in any county. The boundaries of a County PFD are coextensive with the boundaries of the county. Many County PFD provisions were modified as part of the

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baseball stadium legislation in 1995. County PFDs may construct, improve, or remodel sports facilities, entertainment facilities, convention facilities, or regional centers as defined above. County PFDs may be funded through a combination of: (1) charges and fees for the use of facilities by organizations; (2) taxes on admission charges; (3) taxes on vehicle parking charges; (4) voter-approved sales and use taxes; (5) credits against the state sales and use tax; (6) lodging taxes; (7) voter-approved property taxes; and (8) bonds.

Existing PFDs may impose a sales and use tax within the boundaries of the district. A PFD created after June 30, 2006, may not impose the tax; however in 2007, the Legislature authorized four additional PFD's to impose the tax. The rate of tax ranges from .020 percent to 0.033 percent. The tax is a credit against the state sales and use tax.

The city of Richland would like to build a Hanford Reach Interpretive Center to educate the public of the natural landscape and the history of the area.

Summary of Bill: A city with a population greater than 45,000 in a county with a population of less than 200,000 that has created a City PFD prior to 2002 may impose a sales and use tax not to exceed .025 percent. The tax is credited against the state portion of the sales and use tax, so it is not an increase to the consumer.

Appropriation: None.

Fiscal Note: Requested on January 17, 2008.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2008.

Staff Summary of Public Testimony: PRO: This will be built on the last free flowing stretch of the Columbia. This is a special and unique place. President Clinton made this a national monument. This is a story that the fish and wild life and state parks department agree this story needs to be told. This will be a legacy project. This is the biggest nonprofit enterprise in the history of the Tri-Cities. We are actively soliciting funds for the project and this bill will help us get there. Tourism in this area is rapidly growing. This will give another reason to explore the tri-cities. This is the gateway of the Hanford reach national monument. We have many educational partners in this project. Life long learners will be able to learn about this unique region. We will break ground later this year and this bill will help us get it done.

Persons Testifying: Senator Delvin, prime sponsor; Rufus Friday, Tri-City Herald; Kimberly Camp, Hanford Reach Interpretive Center.